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DEPARTMENT OF COMMERCE
International Trade Administration
[C-570-987]

Hardwood and Decorative Plywood from the People's Republic of China: Amended Preliminary Countervailing Duty Determination; and Alignment of Final Determination with Final Antidumping Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of hardwood and decorative plywood from the People's Republic of China (PRC).

EFFECTIVE DATE: [Insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: David Lindgren, Toni Page, or Lingjun Wang, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3870, (202) 482-1398, and (202) 482-2316, respectively.

SUPPLEMENTARY INFORMATION:

Amendment

We released the preliminary determination to the parties on Wednesday, February 27, 2013. However, that version inadvertently included a typographical error in the "Scope of the Investigation" section. This amended preliminary determination corrects that error. The error was discovered prior to publication in the Federal Register, consequently this amended notice is being published in its place.

Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination

In addition to the countervailing duty (CVD) investigation on hardwood and decorative plywood, the Department also initiated an antidumping duty (AD) investigation of the same merchandise from the PRC.¹ The CVD and AD investigations have the same scope with regard to the merchandise covered.

On February 21, 2013, Petitioners submitted a letter, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act), requesting alignment of the final CVD determination with the final AD determination of hardwood and decorative plywood from the PRC.² Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than July 15, 2013, unless postponed.

Scope of the Investigation

The merchandise subject to this investigation is hardwood and decorative plywood. Hardwood and decorative plywood is a flat panel composed of an assembly of two or more layers or plies of wood veneers in combination with a core. The veneers, along with the core, are glued or otherwise bonded together to form a finished product. A hardwood and decorative plywood panel must have face and back veneers which are composed of one or more species of hardwoods, softwoods, or bamboo. Hardwood and decorative plywood may include products

¹ See Hardwood and Decorative Plywood From the People's Republic of China: Initiation of Antidumping Duty Investigation, 77 FR 65172 (October 25, 2012).

² See Letter from Petitioners to the Department “Countervailing Duty Investigation of Hardwood and Decorative Plywood from the People’s Republic of China — Request to Align Final Determination with Antidumping Investigation,” (February 21, 2013).

that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2009.

All hardwood and decorative plywood is included within the scope of this investigation, without regard to dimension (overall thickness, thickness of face veneer, thickness of back veneer, thickness of core, thickness of inner veneers, width, or length). However, the most common panel sizes of hardwood and decorative plywood are 1219 x 1829 millimeters (mm) (48 x 72 inches), 1219 x 2438 mm (48 x 96 inches), and 1219 x 3048 mm (48 x 120 inches).

A “veneer” is a thin slice of wood which is rotary cut, sliced or sawed from a log, bolt or flitch. The face veneer is the exposed veneer of a hardwood and decorative plywood product which is of a superior grade than that of the back veneer, which is the other exposed veneer of the product (i.e., as opposed to the inner veneers). When the two exposed veneers are of equal grade, either one can be considered the face or back veneer. For products that are entirely composed of veneer, such as Veneer Core Platforms, the exposed veneers are to be considered the face and back veneers, in accordance with the descriptions above.

The core of hardwood and decorative plywood consists of the layer or layers of one or more material(s) that are situated between the face and back veneers. The core may be composed of a range of materials, including but not limited to veneers, particleboard, and medium-density fiberboard (MDF).

All hardwood and decorative plywood is included within the scope of this investigation regardless of whether or not the face and/or back veneers are surface coated, unless the surface coating obscures the grain, texture or markings of the wood. Examples of surface coatings which may not obscure the grain, texture or markings of the wood include, but are not limited to, ultra-violet light cured polyurethanes, oil or oil-modified or water based polyurethanes, wax,

epoxy-ester finishes, and moisture-cured urethanes. Hardwood and decorative plywood that has face and/or back veneers which have an opaque surface coating which obscures the grain, texture or markings of the wood, are not included within the scope of this investigation. Examples of surface coatings which may obscure the grain, texture or markings of wood include, but are not limited to, paper, aluminum, high pressure laminate (HPL), MDF, medium density overlay (MDO), and phenolic film. Additionally, the face veneer of hardwood and decorative plywood may be sanded, smoothed or given a “distressed” appearance through such methods as hand-scraping or wire brushing. The face veneer may be stained.

The scope of the investigation excludes the following items: (1) structural plywood (also known as “industrial plywood” or “industrial panels”) that is manufactured and stamped to meet U.S. Products Standard PS 1-09 for Structural Plywood (including any revisions to that standard or any substantially equivalent international standard intended for structural plywood), including but not limited to the “bond performance” requirements set forth at paragraph 5.8.6.4 of that Standard and the performance criteria detailed at Table 4 through 10 of that Standard; (2) products which have a face and back veneer of cork; (3) multilayered wood flooring, as described in the antidumping duty and countervailing duty orders on Multilayered Wood Flooring from the People’s Republic of China, Import Administration, International Trade Administration, U.S. Department of Commerce Investigation Nos. A-570-970 and C-570-971 (published December 8, 2011); (4) plywood which has a shape or design other than a flat panel.

Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States (HTSUS): 4412.10.0500; 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175;

4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.2510;
4412.32.2520; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185;
4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019;
4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059;
4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050;
4412.94.1030; 4412.94.1050; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141;
4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.6000; 4412.94.7000; 4412.94.8000;
4412.94.9000; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110;
4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170;
4412.99.4100; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; and 4412.99.9000.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise as set forth herein is dispositive.

Methodology

The Department is conducting this CVD investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.³ The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the

³ See Memorandum from Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration regarding "Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation of Hardwood and Decorative Plywood from the People's Republic of China," dated February 26, 2013 (Preliminary Decision Memorandum).

Internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

The Department notes that, in making these findings, we have relied, in part, on facts available and, because one or more respondents did not act to the best of their ability to respond to the Department's requests for information, we have drawn an adverse inference where appropriate in selecting from among the facts otherwise available.⁴ For further information, see “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated an individual rate for each producer/exporter of the subject merchandise under investigation. We preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate
Linyi City Dongfang Jinxin Economic & Trade Co., Ltd.	<u>de minimis</u>
Linyi San Fortune Wood Co., Ltd.	<u>de minimis</u>
Shanghai Senda Fancywood Inc. a/k/a Shanghai Senda Fancywood Industry Co.	<u>de minimis</u>
Asia Dekor (Heyuan) Woods Co., Ltd.*	27.16 percent
Baishan Huafeng Wooden Product Co.*	27.16 percent
China Friend Limited*	27.16 percent
Feixian Guangyuan Plywood Factory*	27.16 percent
Feixian Xinfeng Wood Co Ltd.*	27.16 percent
Huzhou Chen Hang Wood Co. Ltd.*	27.16 percent
Jiafeng Wood (Suzhou) Co., Ltd.*	27.16 percent
Linyi Guoxin Wood Co., Ltd.*	27.16 percent
Linyi Huayuan Wood Co., Ltd.*	27.16 percent
Linyi Sengong Wood Co., Ltd.*	27.16 percent
Lizhong Wood Industry Limited Co.*	27.16 percent
Shandong Lichen Group Co., Ltd.*	27.16 percent

⁴ See sections 776(a) and (b) of the Act.

Wellmade Floor Industries Co. Ltd.*	27.16 percent
Zhejiang Dadongwu GreenHome Wood Co.*	27.16 percent
Zhejiang Desheng Wood Industry Co., Ltd.*	27.16 percent
All Others	22.63 percent

* Non-cooperative company to which an adverse facts available rate is being applied. See “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

In accordance with sections 703(d)(1)(B) and (2) of the Act, with the exception of Linyi City Dongfang Jinxin Economic & Trade Co., Ltd (Dongfang), Linyi San Fortune Wood Co., Ltd. (San Fortune), and Shanghai Senda Fancywood Co., Ltd. (Senda), we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of hardwood and decorative plywood from the PRC that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the Federal Register, and to require a cash deposit for such entries of merchandise in the amounts indicated above. Because the subsidy rates for Dongfang, San Fortune, and Senda are de minimis, liquidation will not be suspended and no cash deposits will be required for merchandise that are produced and exported by Dongfang, San Fortune, and Senda.

In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not investigated, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(i) of the Act, the all-others rate should exclude zero and de minimis rates calculated for the exporters and producers individually investigated. Where the rates for the investigated companies are all zero or de minimis, section 705(c)(5)(A)(ii) of the Act instructs the Department to establish an all-others rate using “any reasonable method.” We preliminarily determine that a reasonable method for

establishing the all-others rate is to calculate a simple average of the subsidy rates for all companies to which an individual subsidy rate was applied.

Disclosure and Public Comment

The Department will disclose calculations performed for this preliminary determination to the parties within five days of the date of public announcement of this determination in accordance with 19 CFR 351.224(b). Case briefs or other written comments for all non-scope issues may be submitted to the Assistant Secretary for Import Administration no later than seven days after the date on which the final verification report is issued in this proceeding, and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁵ Following the publication of the preliminary determination in the companion AD investigation, the Department will establish a separate briefing schedule for scope issues. Parties must file separate and identical documents on both the AD and CVD records for any briefs related to scope only. Additionally, the Department intends to address specific scope exclusion requests in the preliminary determination of the companion AD investigation. A table of contents, list of authorities used and an executive summary of issues should accompany any briefs submitted to the Department. This summary should be limited to five pages total, including footnotes.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, filed electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5:00 p.m. Eastern Standard Time, within 30 days after the date of publication of this notice.⁶

⁵ See 19 CFR 351.309.

⁶ See 19 CFR 351.310(c).

Requests should contain the party's name, address, and telephone number; the number of participants; and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a date, time and location to be determined. Parties will be notified of the date, time and location of any hearing.

International Trade Commission Notification

In accordance with section 703(f) of the Act, we will notify the International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Import Administration.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

This determination is issued and published pursuant to sections 703(f) and 777(i) of the
Act.

Paul Piquado
Assistant Secretary
for Import Administration

March 7, 2013 _____
Date

List of Topics Discussed in the Preliminary Decision Memorandum

1. Scope Comments
2. Scope of the Investigation
3. Respondent Selection
4. Injury Test
5. Application of Countervailing Duty Law to Imports from the PRC
6. Subsidies Valuation
7. Use of Facts Otherwise Available and Adverse Inferences
8. Analysis of Programs
9. Verification
- 10.
- 11.
12. [FR Doc. 2013-05929 Filed 03/13/2013 at 8:45 am; Publication Date: 03/14/2013]